

## OKLAHOMA

Law	Title 68, Article 5 (Motor Fuel Tax); Article 6 (Motor Fuel/Diesel Fuel Importer for Use Tax Code); Article 7 (Special Fuel Use Tax); Sec. 2357.22 (Income Tax); Sec. 1359 (Sales Tax).
Definitions	<b>Gasoline:</b> products known as such and suitable for use as a motor fuel. [Sec. 500.3.40] <b>Blended fuel:</b> mixture of gasoline or diesel fuel and another liquid that can be used as a fuel in a highway vehicle, including gasohol, ethanol and fuel grade ethanol. [Sec 500.3.4]
Tax Rate	16¢ per gallon for motor fuel. [Secs. 500.4.A.1] 13¢ per gallon for diesel fuel. [Secs. 500.4.A.2]
Tax Breaks	Motor-fuels-powered vehicles relieved of all but 2.08¢ of motor fuel tax for fuel used for agricultural purposes. [Sec. 500.4]
Exemptions	Alcohol fuels exemption expired 10/1/84. Blended fuels exemption repealed 3/1/83.
Gasohol	No specific provisions. Gasohol treated as a motor fuel for taxation purposes.
Special Provisions	Vehicles operating with liquefied petroleum gas, compressed natural gas, liquefied natural gas, methanol or certain methanol blends are subject to a flat fee in lieu of the special fuels tax. The fee of \$150 is assessed on a January-December year. A decal evidences tax payment, and is required to be displayed in the lower right corner of the front windshield. Vehicle operators are exempt from other special fuels filing and tax requirements. [Sec. 723]
Income Tax	A one-time credit against income tax is available for investments in qualified clean-burning motor vehicle fuel property placed in service before 1/1/02, and in electric-powered vehicles placed into service before 1/1/02. "Clean-burning" includes compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol or certain methanol blends.

Qualified property can include equipment to modify a vehicle, or equipment for a motor vehicle's fuel storage or delivery system, among other things. The credit cannot exceed 50% of the cost of property placed in service. Carryforward allowed. [Sec. 2357.22]

Sales Tax

Exemption for sales of ethyl alcohol when used for blending with motor fuels. [Sec. 1359(2)]

Property Tax

Motor vehicles are exempt from property tax if properly registered in Oklahoma.